



**STATE OF RHODE ISLAND**

**DIVISION OF PUBLIC UTILITIES & CARRIERS**

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From: Margaret Hogan, Esq., Implementation Director for Policy and Programs  
Rhode Island Division of Public Utilities & Carriers

Date: December 9, 2022

Subject: Docket No. 5195 -Pascoag Utility District  
2022 Demand Side Management Program

**2022 Demand Side Management Program Filing**

On November 8, 2021, pursuant to R.I. Gen. Laws § 39-2-1.2, the Pascoag Utility District (Pascoag) filed with the Public Utilities Commission (Commission) a proposed Demand Side Management (DSM) Program budget for calendar year 2022. Pascoag did not propose any changes to its currently proposed DSM charge of \$0.002 per kilowatt-hour. The total proposed budget for 2022 is \$220,829 which is comprised of \$107,456 from projected DSM rate revenues, a carryover of \$38,373 from 2021, and \$75,000 from 2022 Regional Greenhouse Gas Initiative (RGGI) funds.

**I. Residential Programs**

**(a) Home Energy Audit/Weatherization**

Pascoag requests \$60,000 funding for its Home Energy Audit/Weatherization Incentive, a decrease of \$48,897.92 from 2021. The much larger 2021 budget included a large carryover from 2020 budgeted funds that were not spent, due to the pandemic. This portion of the DSM budget will be funded by RGGI, through the Office of Energy Resources. Customers are eligible for incentives of 100%, capped at \$2,250, which is a decrease from the 2021 cap of \$3,000.

Pascoag's goal in 2022 is to complete 60 residential energy audits at an estimated cost of \$17,400. The balance of the \$60,000 budget will be allocated to support the direct install of LED lightbulbs, smart strips, aerators, and showerheads (\$8,000), and to rebate insulation, air sealing, and programable thermostats (\$34,600). Only customers who undertake energy audits will qualify for rebates.

**(b) Energy Star**

Pascoag's 2022 plan maintains level-funding of \$8,000 for its residential Energy Star program. Pascoag indicated that it removed televisions, computers, displays and printers from the 2022 program, due to low claimable savings and low program participation.

**(c) HVAC and Water Heater Program**

Pascoag continues its 2021 rebate levels for its HVAC and Water Heater Program, excepting an increase in heat-pump hot water heater rebates. In 2021, Pascoag processed only 1 heat-pump hot water heater rebate and anticipates that increasing the rebate amount from \$300 to \$450 for  $\leq 55$ gallon units will result in increased participation. Rebates for  $>55$ -gallon units will remain at \$150. Total program funding increases from \$7,000 to \$8,000.

**(d) Enhanced Incentive Heat Pump**

Pascoag's proposed Enhanced Incentive Heat Pump Program, with a budget of \$10,000, is designed to assist electric heat customers who have received an energy audit and have weatherized their homes to transition from electric resistant heating. Pascoag states that the increased incentive will sufficiently encourage electric resistance heating customers to maximize the amount of electric savings achieved by upgrading to electric heat pumps.

**(e) Change- A-Light**

Pascoag is discontinuing the Change-a-Light Program.

**(f) Landlord/Renter Weatherization**

Pascoag proposes spending \$30,000 to continue the Landlord/Renter Weatherization Pilot Program that began in 2021. RGGI funds will provide one-half of the cost. The program will provide energy audits for 1-4-unit dwellings and direct installation measures such as LED lightbulbs, smart strips, and low flow aerators/ showerheads for customers that heat with electric, oil, and propane. The program contributes rebates up to \$5,000 per building for qualified air sealing and insulation measures. In 2021, the PUD rebated 4 duplex rental customers for audit and weatherization efforts and spent a little over half of the allocated funds. Although the total program budget was not spent in 2021, Pascoag anticipates expending its budget in 2022 by working with larger rental units.

**(f) Carry-over Funding**

Pascoag estimates a fund carryover of \$38,373, and requests approval to use \$1,500 to satisfy 2021 qualified rebates for customers, and to use the remaining \$36,873 to support the 2022 DSM budget.

## **II. Industrial/Commercial Programs**

### **(a) Small Business Energy Star**

Pascoag seeks level-funding for the Small Business Energy Star offerings. Customer rebates will be 10%, capped at \$350.00 per customer.

### **(b) Lighting Projects (2021)**

Pascoag Library has completed the first phase of a three-phase LED lighting project which is expected to reduce the library's kWh by 40,344 over the life of the project. The first phase, which cost \$2,761 to complete, consisted of upgrading selected internal and exterior lighting. Phases two and three are expected to be completed by the end of the year. Pascoag worked with three additional commercial and industrial customers on lighting projects in 2021: GS Inc., St. Joseph's Church, and Crystal Lake Rehabilitation Center. These three project costs totaled \$128,447 and Pascoag provided rebates of \$27,200. The projects are expected to reduce kWh by 2,197,464 and kW by 46.43 over the life of the measures.

### **(c) 2022 Projects- Proposed**

For 2022, Pascoag seeks \$8,567 for known lighting and energy efficiency projects: Ashton Court (elderly affordable housing units) and Wallum Lake Rod & Gun Club. Ashton Court plans to install 14 mini-splits units to efficiently regulate heating in common areas. This project carries a potential rebate of \$2,100. Wallum Lake Rod & Gun Club plans an LED lighting project for its skeet and trap fields. This project cost is anticipated at \$20,356 and will reduce kWh by 274,560 and kW by 11.44 over the life of the project. Pascoag estimates a customer rebate of \$6,476.

### **(d) 2022 Projects - Future**

Pascoag seeks a business lighting project budget of \$32,953 to permit flexibility to work with business customers on future energy efficiency projects that arise during the calendar year. One project under consideration is the Crystal Lake Golf Club LED project, presently undergoing an estimate with RISE.

### **(e) Streetlights**

In 2021, the DSM Program rebated Pascoag \$10,000 for an LED streetlight project which was completed in 2016. Pascoag requested that this line item remain at \$10,000, to reduce its Account Receivable from the DSM Program from \$53,096 to \$43,096 and balance the rate at which streetlighting work is paid down.

## **III. Administrative**

Pascoag's proposed program administration budget is level-funded at \$21,000. Pascoag seeks \$10,000 for consultant fees to continue its work with its consultant, Optimal Energy, on accurately tracking energy and cost savings data, perform detailed cost benefit analysis, and to continue program development. Pascoag includes a request for funding program research and development of \$500 to continue the development of future energy efficiency programs.

#### **IV. Community Outreach, Marketing, & Education**

Pascoag proposes combining its Community Outreach and Education budget with its Community Events budget, for a total of \$14,000. Pascoag reported that \$1,459.88 was spent in 2021 for outreach and education costs for bill inserts and advertisements. Pascoag's traditional community events, the Green Festival and the Family Fair, were not held in 2021 due to the pandemic. The 2022 budget assumes that these events will return in 2022.

In Docket No. 4991, the Commission's Order included a requirement that Pascoag provide robust evidence to support its continued involvement in community events and directed Pascoag to explore alternative sources of funding including, but not limited to, vendor participation fees. In compliance, Pascoag issued a survey in 2021 to Green Festival vendors to ascertain the feasibility of a \$25 dollar vendor fee and the impact on participation if a fee was implemented. Most vendors opposed a participation fee and signaled less likely attendance if a fee was imposed. In addition to the vendor survey, Pascoag also conducted research on possible grant opportunities to support the community programs and found limited opportunities due to Pascoag's tax classification status. As for grant opportunities, Pascoag reported that it does not have the staff available to engage in consistent grant writing.

Pascoag proposes a budget of \$3,600.00 for its partnership with the Jesse Smith Library and Burrillville Recycling to fund prizes, materials, labor, and refreshments for the Earth Day Poster Contest which focuses on both energy efficiency and recycling. The top 12 posters chosen were included in a 2022 calendar which are distributed by Pascoag. Five local businesses purchased advertisements totaling \$200.

#### **V. Energy Efficiency Management Continuing Education Funds**

Pascoag proposes level-funding of \$1,500 in 2022. The District reported that the DSM coordinator was unable to travel to conferences in 2021 due to pandemic limitations but was able to participate in many free virtual workshops and trainings by the American Public Power Association of Energy Professionals. The proposed budget anticipates a return to travel opportunities in 2022.

#### **Recommendation**

After review of Pascoag's filing and responses to data requests, the Division finds Pascoag's budgetary explanations, as well-thought out, reasonable and generally consistent with its historical program budgets. The Division would encourage Pascoag to continue with its attempts to secure paid advertising for the Earth Day Poster Contest, since the resulting calendar appears to be a community favorite.

The Division recommends the Commission approve Pascoag's 2022 DSM program budget, as filed.